

**DRAFT MINUTES OF THE TOWN OF GILBERT, ARIZONA DEFERRED COMPENSATION
BOARD OF TRUSTEES MEETING
VIRTUAL MEETING VIA WEBEX, GILBERT, ARIZONA
July 7, 2020**

MEMBERS PRESENT: Hakon Johanson, Chairperson
Cindi Mattheisen, Vice Chairperson
Michael Burkhart, Secretary
Hondo Judd

MEMBERS ABSENT: Ray Savoie

STAFF PRESENT: Donna Pedrera, Sr. Human Resources Analyst – Benefits
Kristen Drew, Deputy Chief People Officer - Benefits

GUESTS PRESENT: Gordon Tewell, Principal, Innovest
Chuck Sklader, Client Service Manager, Innovest
Jim Keeler, Program Director, Nationwide

1. Call to Order

Ms. Pedrera called the meeting to order at 5:01 PM.

2. Oath of Office

Ms. Pedrera administered the Oath of Office to the following Board members, Hakon Johanson, Michael Burkhart, Hondo Judd, and Cindi Mattheisen.

3. Roll Call

Ms. Pedrera called roll and a quorum was declared.

4. Election of Chairperson, Vice-Chair and Secretary of the Board.

Discussion and Possible Motion.

Ms. Pedrera asked for nominations for the role of Chairperson of the Board, Ms. Mattheisen made a motion to nominate Mr. Johanson as the Chairperson of the Board, Mr. Judd second the motion. The motion passed 4-0. Ms. Pedrera asked for nominations for the role of Vice Chairperson of the Board, Mr. Johanson made a motion to nominate Ms. Mattheisen as the Vice Chairperson of the Board, Ms. Mattheisen second the motion. The motion passed 4-0. Ms. Pedrera asked for nominations for the role of Secretary of the Board, Mr. Judd made a motion to nominate Mr. Burkhart as Secretary of the Board, Mr. Johanson second the motion. The motion passed 4-0.

5. Review and Adoption of the Board Bylaws

Discussion and Possible Motion.

Ms. Pedrera asked if everyone had a chance to review the Board Bylaws and if anyone had any questions or suggestions for modifications. Mr. Burkhart asked what the Bylaws require regarding the frequency of meetings of Board, Ms. Pedrera replied that the Bylaws required that the Board meet quarterly but there was nothing in the Bylaws that stated the Board could not meet more often if needed. No other questions or modifications were posed. Ms. Mattheisen made a motion to accept and adopt the Board Bylaws as presented, Mr. Johanson second the motion. The motion passed 4-0.

6. Establish the start date of the 401(a) Plan*Discussion and Possible Motion.*

Mr. Keeler, Nationwide advised the Board that a start date for 401(a) option of the Deferred Compensation plan needed to be established, he recommend that the start date be January 1, 2021 because the IRS limits ran on calendar year and this would allow participants to maximize their contributions. Mr. Keeler explained to the Board how the 401(a) plan differs from the 457 Plan, in that members have a 90 day enrollment period, that the elections made by the member are permanent and irrevocable, and the contribution limits are higher than the 457 plan, at \$57,000 for 2020. Mr. Keeler also stated that Nationwide would begin conducting virtual information and education meetings in September along with updating the website with plan information, so that members can begin to sign up starting on October 1, 2020 beginning that 90 day election period. No one had any questions. Mr. Burkhardt made a motion to start the 401(a) plan effective January 1, 2021 with employee education meetings to begin by Nationwide as soon as possible and enrollment to begin on October 1, 2020. Mr. Johanson second the motion. The motion passed 4-0.

7. Discussion and Adoption of the Cares Act Provisions*Discussion and Possible Motion.*

Ms. Pedrera advised the Board that a decision was needed regarding whether the Deferred Compensation plan currently offered would be opting into the Cares Act Provisions, and turned the floor over to Mr. Tewell to review the specifics of each of Cares Act Provisions. Mr. Tewell explained that the Cares Act had two Provisions, Provision 1 allows “Tax-favored coronavirus-related distributions” and Provision 2 allows “Expanded access to loans for 180 days after the enactment of the law”. Mr. Tewell shared a document with the Board that showed the details, qualifications, plan adoption requirements, effective date, and also advised the Board that they have the option to add either Provision 1 or 2 or both, no action by the Board will result in the continuation of the plan opting out of both Provisions. Ms. Pedrera asked how much administration would be required by Staff to implement the Provisions and Mr. Keeler advised the Board that all administrative work would be handled by Nationwide through the plan website and Nationwide Customer Service desk, no action was required by Staff, other than completing the election form and sending to Nationwide. Ms. Mattheisen asked if Nationwide knew what action other local public sector entities were taking and Mr. Keeler advised that most of Nationwide’s public sector clients had opted in to both Provisions of the Cares Act. Mr. Burkhardt asked if this would cause any fiduciary liability to the plan and both Mr. Tewell and Mr. Keeler advised that is would not because the members that applied for either Provisions would need to meet the necessary qualifications and Nationwide would had be managing that process. Ms. Mattheisen made a motion to adopt/opt into both Provisions 1 and 2 of the Cares Act. Mr. Burkhardt second the motion. The motion passed 4-0.

8. Future Meetings*Discussion and Possible Motion.*

Ms. Pedrera stated that because the Bylaws require that Board meetings occur at a minimum of quarterly, the next Board meeting will be scheduled for mid-September, the date to be determined by staff. Mr. Tewell stated that he will present Quarterly plan reports at the next meeting and it was also suggested by Mr. Keeler that the Agenda include an update on the 401(a) plan roll out.

9. Adjournment

Cindi Mattheisen made a motion to adjourn the meeting. Hakon Johanson seconded the motion. The motion passed 4-0. The meeting adjourned at 6:19 PM.

Hakon Johanson, Chairperson

ATTEST: _____
Michael Burkhart, Secretary